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TRADE AND DEVELOPMENT BOARD
Ad Hoc Working Group on Comparative
Experiences with Privatization
Fourth session
Geneva, 5 April 1994
Agenda item 6

ADOPTION OF THE REPORT OF THE AD HOC WORKING GROUP TO THE TRADE AND DEVELOPMENT BOARD

Draft final report of the Ad Hoc Working Group on Comparative Experiences with the Privatization

Amendements by the Ad Hoc Working Group

I. INTRODUCTION

Delete paragraphs 3,4 and 5

Old paragraph 6 (new para. 3), to list of countries insert Croatia, Nepal, Norway

Old paragraph 6 (new para. 3), delete the second sentence
In addition ..... and the Environment.

Old paragraph 7 (new para. 4), at the end of the paragraph add A summary of the Chairman's concluding statement is contained in TD/B/WG.3/5.

Old paragraph 8 (new para. 5), at the end of the paragraph add Summaries of the discussions on the techniques and financing of privatization are reproduced in TD/B/WG.3/9.

Old paragraph 9 (new para. 6), at the end of the paragraph add

A proposal was made to improve the public awareness and information aspects of the privatization process. Summaries of the discussions on competition and regulation as well as on the social impact of privatization are contained in TD/B/WG.3/13.

Old paragraph 10 (new para. 7), replace the last sentence by the following: It adopted a set of indicative elements for consideration in the formulation of privatization programmes, reproduced in annex I to this report. Summaries of the discussions on privatisation and the environment and the privatisation of pension funds will be reproduced in the report of the fourth session.

II. AN ASSESSMENT

Old paragraph 11 (new para. 8), replace present text by the following:

8. The Ad Hoc Working Group has successfully completed its work in line with its terms of reference. However, it recognizes there are a number of issues which deserve a more in-depth analysis and consideration. (In this connection, see new paragraph 17).

Old paragraph 14 (new para. 11), delete conclusions reached on a wide range of issues as well as the

The sentence now begins The elements drawn from lessons learned ...

III. CONCLUSIONS AND RECOMMENDATIONS

Delete headings
A. Dissemination of the results
B. Technical and other forms of assistance
C. Future work

Old paragraph 15 (new para. 12), replace existing text by the following:

12. Drawing on its work, the Ad Hoc Working Group has adopted the indicative elements for consideration in formulating privatization programmes, as reproduced in annex I to this report. These elements cover the following main topics: general considerations relating to privatization; forms of privatization including non-

divestiture and divestiture options and the privatization of infrastructure; framework for privatization relating to the supportive environment, legal framework and machinery for privatization and competition and regulation; and social impact and support measures. The Ad Hoc Working Group recommends that the indicative elements should be circulated to Governments and privatization agencies for their use, as appropriate, taking into account their particular country situation.

New paragraph 13

13. The Ad Hoc Working Group recommends that the reports on all four sessions, as well as its final report, should be sent to the World Summit on Social Development in 1995 for its consideration, as appropriate.

Old paragraph 16 (new para. 14), delete penultimate sentence In this connection..... is of special importance.

Old paragraph 16 (new para. 14), for considers strengthening read continue

Old paragraph 17 (new para. 15) replace with the following text:

15. The Ad Hoc Working Group recommends that technical assistance, given in consultation with the recipient countries, be continued and strengthened in the following areas:

- Regulatory framework and institutions to deal with privatization and post-privatization issues;

- Public awareness campaigns;

- Valuation techniques, financial consultancy, e.g. in bidding processes;

- Strengthening the legal, financial and training framework for private sector development, including the development of micro, small and medium-sized enterprises;

- Social implications of privatization, including employment creation policies, training and human resources development.

The Ad Hoc Working Group recognizes the importance of the use of local technical expertise, where appropriate. It further recommends that due consideration should be given to the development of a coherent approach and of cooperation among the international bodies concerned (MFIs, specialised agencies and other UN bodies and international NGOs)."

Old paragraph 18 becomes new para. 16

Old paragraph 19 (new para. 17) should read

17. The Ad Hoc Working Group recommends that further analysis and consideration of the following issues be undertaken by UNCTAD or, as appropriate, by other international organizations:

(a) Post-privatization policy; case studies of individual privatized firms
  (i) Share registry/shareholder relations
  (ii) Corporate governance
  (iii) Performance criteria, monitoring and evaluation

(b) Infrastructure privatization

  (i) Build-Own-Operate/Transfer
  (ii) Private provision of public and social services

(c) Privatization, development of capital markets and foreign investment; privatization of pension funds

(d) Privatization and enterprise development, particularly development of small and medium-sized enterprises

(e) Broadening of share ownership; forms of participation of small investors and employees in the privatization process

(f) Privatization, environmental protection and the promotion of environmentally sound technology